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April 20, 2007

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Don Knabe
Supervisor Michael D. Antonovich
From: 
David E. Janssen
Chief Administrative Officer

SACRAMENTO UPDATE

Senate Budget Hearing- Name Based HIV Reporting

On April 16, 2007, Senate Budget and Fiscal Review Subcommittee No. 3 approved the Governor's FY 2007-08 Budget proposal to provide \$2.0 million in additional local assistance funding for Name-Based HIV reporting by a vote of 3 to 0. According to the State Department of Public Health's proposed allocation, Los Angeles County is expected to receive \$710,817 (37.58%) of the \$2.0 million. In addition, Subcommittee staff indicated that it is the Administration's intent to provide this funding for FY 2008-09 and FY 2009-10. Los Angeles County was one of the sponsors of SB 699 (Soto), Chapter 20 of 2006, which changed California's HIV reporting system from code-based to name-based.

Assembly Budget Hearing – LEADER System

On April 17, 2007, Assembly Budget Subcommittee No. 1 on Health and Human Services held a hearing on several Statewide automated welfare system issues including the Governor's FY 2007-08 Budget Proposal to provide \$2.0 million for LEADER planning activities. The Subcommittee heard testimony from the Legislative

Analyst's Office, the Department of Finance, the California Department of Social Services, the State Office of Systems Integration, and Michael Sylvester from the County Department of Social Services who spoke in support of the Governor's proposal. The issue was held until the May Budget Revision.

Pursuit of County Position on Infill Legislation

AB 29 (Hancock), as amended on March 27, 2007, and **AB 1231 (Garcia)**, as introduced on February 23, 2007, would require the Department of Housing and Community Development (HCD) to use funds allocated from Proposition 1C to make infrastructure grants for construction or acquisition of capital assets to qualifying local jurisdictions. Both bills address the legislative conditions and criteria for receiving funds from the Regional Planning, Housing, and Infill Incentive Account, project qualification requirements, application review, and the time-limit to complete projects for the \$850 million set aside in Proposition 1C for infill development related activities.

The Department of Regional Planning (DRP) and the Community Development Commission (CDC) support the intent of AB 29 and AB 1231 because they create opportunities for the County to access funds to encourage infill development in the unincorporated areas and could bolster planning efforts by adding capacity to address neighborhood revitalization and housing development through infrastructure improvements, the creation of parks and open space, and other community benefits. However, the departments indicate that the County may not be eligible to receive any of the Proposition 1C set aside for infill development funding because the bills do not make it clear whether the funds can be used for housing. In addition, the County may not be eligible to receive any funding for infill development related activities because AB 1231 requires project applicants to have met Regional Housing Needs Assessment (RHNA) goals, and AB 29 includes the local jurisdiction's share of production of affordable housing under the competitive criterion, which generally means performance in meeting RHNA goals.

Community Development Commission's Analysis. The Community Development Commission (CDC) has concerns about whether the funds in AB 29 can be used for housing. Capital assets in the bill is defined as tangible physical property with an expected useful life of 15 years or more, which could include housing, although this section of the bill further states, "Capital assets" include major maintenance, reconstruction, demolition for purposes of reconstruction of facilities, and retrofitting work that is ordinarily done no more often than once every 5 to 15 years, or expenditures that continue or enhance the useful life of the capital asset, which does not appear to be in the nature of housing.

The CDC further states that when discussing CEQA compliance, AB 29 requires that "both the infrastructure project for which funding is applied for, and the housing project

to be facilitated, shall be identified with sufficient specificity to be considered to have complied with the CEQA", which also seems to imply that only infrastructure is funded. The CDC also indicates that the competitive criteria in the bill would also require the active participation of the County Departments of Regional Planning, Parks and Recreation, and Public Works in the prioritization of infrastructure improvements.

Although the CDC is supportive of the intent of AB 29, they indicate that the current version of the bill would prevent the County from competing for infill development funds for several reasons. First, housing and pre-development costs are not specified as eligible uses of grant funds, and no money is earmarked for pre-development activities or the direct construction of housing. Second, the language in the bill requires the projects to be consistent with various types of regional plans and be within one-half mile of major transportation hubs, but many potential infill sites in the County are not necessarily identified in regional plans, or located close to major transportation hubs as defined in the bill. Third, the bill uses the local jurisdiction's share of production of affordable housing as a factor in the review and rating of applications for funding, which will all but eliminate the County from competing for the funds. A local jurisdiction's share of production of affordable housing generally is associated with performance in meeting Regional Housing Needs Assessment (RHNA) goals.

Department of Regional Planning's Analysis. The Department of Regional Planning (DRP) indicates that despite good-faith efforts of the County to facilitate the development of housing over the past Housing Element period, including the recent passage of an ordinance implementing State mandated density bonus provisions and enacting studies to analyze the infill potential in the urban unincorporated areas, the County has met less than 50 percent of its RHNA goals. DRP indicates that the process for determining the RHNA for local jurisdictions is inherently flawed and has resulted in many jurisdictions receiving unrealistically high housing needs allocations. For example DRP states that the Southern California Association of Governments' (SCAG) Integrated Growth Forecast of population, housing, and employment serves as the foundation for the RHNA, which is derived from the projected increment of growth of housing units anticipated for planning periods. DRP indicates that SCAG has overestimated growth for unincorporated Los Angeles County and numerous areas remain inappropriately assigned growth for the region. DRP states that an overestimated Integrated Growth Forecast has led to an inflated RHNA allocation for unincorporated Los Angeles County.

In addition, DRP indicates that annexations of land from unincorporated County territory to incorporated cities were not properly divested from the County's population, household, and employment projections in formulating SCAG's Integrated Growth Forecast. The County has filed a formal appeal with SCAG on the basis that the RHNA methodology failed to assign RHNA units involved in annexations appropriately and overestimated growth in many of the unincorporated areas.

Overall, the CDC indicates that the bill's requirements tend to favor larger infill development sites over smaller ones and that the County has many potential smaller sites in the unincorporated area which may not qualify for funding under the current version of AB 29.

CDC's Recommended Amendments. Therefore, the CDC recommends that the County support AB 29 if amended to: 1) add as eligible uses of grant funds the acquisition of land for housing, and pre-development costs (site preparation, environmental testing and remediation, consultant fees associated with the financing and development of the housing, design, building plans, plan processing, the processing of entitlements and due diligence and relocation activities); 2) dedicate a percentage of the bond funds for the predevelopment activities listed above or for the direct construction of housing; and 3) clarify that performance in meeting RHNA goals is not a condition for receiving funds. The CDC indicates that these amendments would help to ensure that the County can compete for infill development funds.

The CDC also recommends that the County support AB 29 if amended to: 1) add as an eligible plan within the threshold criteria, "Strategy Areas" or "Neighborhood Revitalization Areas" identified by the board of supervisors; 2) amend the definition of "mass transit system" to include Rapid Transit buses that provide regular service intervals of at least 15 minutes; and 3) include a specific "carve-out" of funds or a series of factors related to small sites of one to four units, including the age of surrounding housing, deteriorated level of infrastructure, lower level of public services, deferred maintenance or improvements, disinvestment, less than 40 percent occupancy rates, neighborhood preservation efforts, including the production of affordable housing, and other revitalization programs in the neighborhood. The CDC indicates that these amendments would allow smaller sites within more urbanized areas of the unincorporated County that are not necessarily identified in regional plans, or located within major transportation hubs, to qualify for infill incentives funds, and establish "competitive criteria" that benefits small sites within the urbanized areas of the unincorporated County.

Support for AB 29, if amended, is consistent with existing County policy to support proposals that provide incentives to local government and/or developers to increase affordable housing and existing policy to support legislation that increases resources to clean up and redevelop brownfields. Support for AB 29, if amended, is also consistent with the Board Action on December 5, 2006 instructing the Chief Administrative Officer to establish an Infrastructure Task Force to maximize the amount of funding available to the County from the various bond acts. **Therefore, our Sacramento advocates will support AB 29 if amended as indicated above.**

AB 29 is sponsored by the author and there is no known support or opposition. This measure passed the Assembly Local Government Committee on April 18, 2007, as

amended, by a vote of 5 to 2, and was re-referred to the Assembly Housing and Community Development Committee.

AB 1231 is substantially similar to AB 29, with a few exceptions. Under AB 1231, there is no definition of infill development, and no specified list of the types of projects that can be pursued with grant funding (such as creation, development and rehabilitation of urban parks, bicycle paths, river parkways, and trails). However, the project qualification requirements, the application review and the time-limit to complete projects are the same in AB 1231 as in AB 29.

The major difference between the two bills is that AB 1231 includes a specific requirement that eligible projects be located within a local jurisdiction that has met or exceeded housing production thresholds established by the Regional Housing Needs Assessment (RHNA), and requires the applicant's previous performance in meeting its regional housing needs allocation as a review factor for rating applications.

Department of Regional Planning's Analysis. The Department of Regional Planning (DRP) is concerned that AB 1231 uses past and present performance on achieving RHNA goals to determine eligibility and as criteria for reviewing applications. DRP states that using the past and present performance of meeting the RHNA goals as a factor for determining eligibility is unfairly punitive and does not acknowledge: 1) the challenge of addressing housing needs within the extremely complex planning environment of the unincorporated areas of the County; 2) the good faith efforts that the County has made to facilitate the development of housing; 3) that the County has a conditionally certified Housing Element; and 4) that the County regularly submits Annual Progress Reports to HCD on a timely basis.

In lieu of RHNA goals, DRP suggests that it is reasonable to require a local jurisdiction to submit Annual Progress Reports to HCD in a timely manner, as required for the Workforce Housing Grant, a program funded by Proposition 1C's predecessor, Proposition 46.

DRP's Recommended Amendments. Therefore, DRP recommends that the County support AB 1231 if amended to: 1) delete eligibility criteria that require a project to be located in a city, county, or city and county that has met or exceeded housing production thresholds; 2) delete language that lists the applicant's previous performance in meeting its regional housing needs allocation as a review factor for rating applications; 3) add eligibility criteria that requires the local jurisdiction to submit to HCD the annual progress report within the preceding 12 months; and 4) add the applicant's previous history in submitting to HCD the annual progress report on a timely basis as a review factor for rating applications.

The CDC also has reviewed AB 1231 and concurs with DRP's position opposing progress toward the RHNA production goals in determining the funding, and as an

alternative including submitting Annual Progress Reports to HCD in a timely manner. The CDC also recommends that the County support AB 1231 if amended as indicated above.

Support for AB 1231, if amended, is consistent with existing County policy to support proposals that provide incentives to local government and/or developers to increase affordable housing and existing policy to support legislation that increases resources to clean-up and redevelop brownfields. Support for AB 1231, if amended, is also consistent with Board Action on December 5, 2006 instructing the Chief Administrative Officer to establish an Infrastructure Task Force to maximize the amount of funding available to the County from the various bond acts. **Therefore, our Sacramento advocates will support AB 1231 if amended as indicated above.**

AB 1231 is sponsored by the Governor and there is no known opposition at this time. This measure is currently in the Assembly Housing and Community Development Committee awaiting a hearing date.

Pursuit of County Position on Other Legislation

AB 49 (Arambula), as amended on March 29, 2007, would add the extreme cold temperatures that occurred during January 2007, to the list of natural disasters eligible for full State reimbursement of local agency costs under the Natural Disaster Assistance Act. Additionally, this bill would authorize the State Department of Finance to transfer funds to the California Small Business Expansion Fund to make loan guarantees to businesses in areas affected by this natural disaster. Because of an urgency clause, the bill would take effect immediately if passed by the Legislature and signed by the Governor.

The Los Angeles County Department of Agricultural Commissioner/Weights and Measures (ACWM) indicates that Los Angeles County's growers and producers suffered estimated losses of \$97,000 in fruit crops and \$19.5 million in the nursery industry.

The ACWM recommends support for AB 49 because it would provide county small businesses affected by the January freeze the ability to obtain loans from the State, and we concur. Support for AB 49 is consistent with Board policy to improve the capacity of state and local governments to plan, prepare and respond to emergencies, including those involving natural disasters. **Therefore, our Sacramento advocates will support AB 49.**

This measure was placed on the Assembly Appropriations Committee's Suspense File on April 18, 2007, and will be considered when the Committee takes up all measures on the Suspense File in May. AB 49 is supported by the California State Association of Counties and there is currently no registered opposition.

AB 98 (Niello), as amended on April 18, 2007, would require the State to pay 50 percent of the wage subsidies for CalWORKs participants engaged in subsidized private or public sector employment, subject to the following restrictions:

- The State's share of a wage subsidy would not exceed 50 percent of the Maximum Aid Payment for the assistance unit which includes the adult receiving the wage subsidy; and
- State participation would be limited to county programs that provide a maximum of six months of wage subsidies for each participant.

The bill also would require the California Department of Social Services (CDSS) to report to the Legislature, no later than January 10, 2011, outcomes of this State subsidized employment matching program including but not limited to: 1) the number of CalWORKs recipients who entered subsidized employment; 2) the number of participants who found non-subsidized jobs after the subsidized employment ends; 3) the earnings of the participants before and after the subsidy; and 4) the impact of this program on the State's work participation rate.

Subsidized employment programs give CalWORKs participants work experience and history to help them move to non-subsidized employment. Since 2004, approximately 70 percent of the participants enrolled in Los Angeles County's subsidized employment programs have successfully moved to non-subsidized jobs.

Under current State law, a county must bear the entire cost of wages for CalWORKs participants who are enrolled in subsidized employment programs using CalWORKs Single Allocation funds. The 50 percent State match for subsidized wages would allow many counties, including Los Angeles County, to implement or expand subsidized employment programs. AB 98 would help counties increase work participation rates and provide counties with a strong incentive to invest their CalWORKs Single Allocation funds in other activities that would increase work participation. For these reasons, the Department of Public Social Services (DPSS) recommends that the County support AB 98, and we concur. Consistent with existing Board policy to support proposals which expand the State's financial commitment to local welfare-to-work programs that promote self-sufficiency among welfare recipients, **our Sacramento advocates will support AB 98.**

AB 98 is sponsored by the County Welfare Directors Association. There is no registered opposition on file. The bill is scheduled for hearing in the Assembly Human Services Committee on April 24, 2007.

AB 184 (Bass), as amended on March 22, 2007, would appropriate \$3.0 million from the State General Fund to provide Independent Living Program (ILP) services to qualified former foster youth who are:

- Placed with a non-related legal guardian if the child is receiving permanent placement services;
- Placed as wards with a non-related legal guardian who receives AFDC-FC benefits and case management services; or
- Adopted at 14 years of age or older.

ILP services include: education and career development counseling, assistance and referral for health care, mentoring, daily living skills training, financial assistance referrals, housing and housekeeping assistance, and incidental items necessary for daily living. According to the Department of Children and Family Services (DCFS), AB 184 would expand ILP services for vulnerable foster youth who are at-risk of leaving foster care and for youth who have emancipated from foster care with limited life skills and support. The services provided under AB 184 would assist vulnerable former foster youth who are least prepared for life on their own. For these reasons, DCFS recommends that the County support AB 184, and we concur. Consistent with existing Board policy to support legislation and funding to facilitate successful emancipation, promote self-sufficiency and improve outcomes for youth aging out of foster care, **our Sacramento advocates will support AB 184.**

AB 184 is sponsored by the County Welfare Directors Association and supported by the American Federation of State, County and Municipal Employees. There is no registered opposition on file.

AB 184 passed the Assembly Human Services Committee on March 27, 2007 by a vote of 5 to 0. The bill was placed on the Assembly Appropriations Committee Suspense File on April 18, 2007.

AB 503 (Hernandez), as amended on March 26, 2007, would require public agencies to provide an eight hour written notice to employees prior to working overtime.

Under current law, an employer may require an employee to work overtime. Refusal to work overtime can allow the employer to discipline an employee up to and including termination.

According to Risk Management Branch staff, it is current County policy not to mandate overtime except under extraordinary circumstances such as when public safety of the community is at risk. This bill would impose an additional burden on the County by having to document requests for overtime. Consistent with current Board policy to oppose legislation that mandates compensation or benefit changes without approval of the Board of Supervisors, **our Sacramento advocates will oppose this bill.** AB 503

passed the Assembly Employees Retirement and Social Security Committee by a 4 to 2 vote on April 18, 2007, and now proceeds to the Assembly Appropriations Committee.

AB 1481 (De La Torre and Krekorian), as amended on March 29, 2007, would require the State Water Resources Control Board (WRCB), on or before July 31, 2009, to establish general discharge permits for landscape irrigation projects utilizing recycled water for which the State Department of Public Health has set recycling criteria, and would authorize the WRCB to establish a reasonable schedule of fees to reimburse the WRCB for the costs it incurs in adopting and administering the general permit. The bill would also require the WRCB to designate an ombudsperson to coordinate and facilitate communication on recycled water, and on the issuance of specified water reclamation requirements, and to assist in the implementation of the general permit program established by the bill.

According to the Department of Public Works (DPW), AB 1481 would allow recycled water irrigation projects satisfying the criteria established by the State Department of Public Health to move forward without requiring an individual waste discharge requirement from the Regional Water Quality Control Board. DPW indicates that this would streamline and standardize the permit process for recycled water irrigation projects while maintaining regulatory oversight of these projects. DPW states that the bill would have a significant impact on the County by supporting the increased use of recycled water for appropriate non-potable purposes. Increasing the use of recycled water for non-potable purposes as a substitute for potable water would increase the amount of potable water available for truly potable purposes. DPW indicates that this is essential for the County and California to meet anticipated increases in water demand due to population increases.

In addition, DPW indicates that recycled water is sold at rates of 15 to 50 percent lower than potable water by water companies operating within Los Angeles County. Easing the permit process would enable additional County facilities to more readily switch from potable water to recycled water for landscape irrigation. While there would be an initial cost for constructing the necessary delivery systems, there would be a net savings to the County on water bills over the long-term. While impossible to quantify, DPW indicates that a 15 to 50 percent discount on water used for irrigation at all County facilities would likely result in a net decrease of 10 percent on water bills paid by the County.

Furthermore, DPW indicates that recycled water is a locally available and stable source of water. Approximately two-thirds of the water used within the County originates from sources outside the County boundaries. These sources are subject to extended interruption due to droughts, earthquakes, system failures, or intentional sabotage of the water supply infrastructure delivering water from these external sources. Shifting supplies from potable sources to locally produced recycled water for irrigation improves the overall stability and reliability of the water supply system as a whole.

DPW recommends that the County support AB 1481, and requests that it be amended to clarify that the general discharge permit would apply to any irrigation uses for which the State Department of Public Health has or will set recycling criteria.

The Department of Public Health has also reviewed the bill and indicates that water is an increasingly scarce resource and the passage of AB 1481 could increase the number of recycled water sites by 50 percent. Because the bill could increase the use of recycled water for non-potable uses, the Department of Public Health recommends that the County support this measure.

Support for AB 1481 is consistent with existing policy to support legislation that increases the use of recycled water within the County of Los Angeles. **Therefore, our Sacramento advocates will support AB 1481, and request that it be amended as indicated above.**

AB 1481 is sponsored by the authors. Support and opposition to the bill is unknown at this time. This measure is set for hearing in the Assembly Water, Parks and Wildlife Committee on April 24, 2007.

Status of County-Advocacy Legislation

County-opposed AB 70 (Jones), which would change the way liability related to flood control projects is apportioned between the State and local governments by requiring local public entities to compensate the State for actions contributing, or whose failure to act contributes, to the failure of a flood control project when that failure causes property damage or personal injury and a judgment has been entered against the State, was amended on April 11, 2007 to limit the bill's applicability to flood control projects within the Sacramento River and San Joaquin River watersheds.

Despite the amendments which limit the flood control projects subject to the bill's requirements, the Department of Public Works and County Counsel recommend that the County continue to oppose AB 70. County Counsel indicates that passage of this bill could set a precedent, and subsequent legislation could affect the County. In addition, County Counsel indicates that the bill creates two different sets of rules for liability depending on where the harm occurs. Finally, County Counsel indicates that the bill may be unconstitutional, and should be opposed as a matter of principle. **Therefore, our Sacramento Advocates will continue to oppose AB 70.** This measure is currently in the Assembly Judiciary Committee awaiting a hearing date.

County-opposed-unless-amended, AB 81 (Torrico), was placed on the Assembly Appropriations Committee's Suspense File on April 18, 2007, because of the \$5.0 million cost to the State's General Fund. AB 81 would (1) extend the timeframe to safely surrender a newborn from 72-hours to 30 days; (2) allow cities to designate fire departments as safe surrender sites as long as they have consulted with county boards

of supervisors and child welfare agencies; and (3) provide \$5.0 million to conduct a statewide awareness campaign.

County-supported AB 119 (Price), which would require the State to pay for expenses incurred after January 1, 2007, for elections proclaimed by the Governor to fill a vacancy in the office of State Senator or member of the Assembly or to fill a vacancy in the office of the United States Senate or Representative in Congress, was placed on the Assembly Appropriations Committee Suspense File on April 18, 2007. This bill will be considered when the Committee takes up all measures in the Suspense File in May.

County-supported AB 190 (Bass), which would establish a new child welfare budget methodology and ultimately reduce caseloads for social workers, was placed on the Assembly Appropriations Committee's Suspense File on April 18, 2007, because of increased costs to the State's General Fund.

County-supported AB 308 (Galgiani), which would provide \$243 million to reimburse counties for Early and Periodic Screening, Diagnosis, and Treatment services which have already been provided, passed the Assembly Health Committee on April 17, 2007 by a vote of 13 to 0. This measure now proceeds to the Assembly Appropriations Committee.

County-supported AB 335 (de Leon), which would allow victims of domestic violence requesting CalWORKs Homeless Assistance to provide a sworn statement in lieu of third-party documentation to verify that their homelessness is directly related to domestic violence, was placed on the Assembly Appropriations Committee Suspense File on April 18, 2007.

County-supported AB 340 (Hancock), which would establish the Unified Resource Families Assessment Pilot Project in five counties selected by the California Department of Social Services, was placed on the Assembly Appropriations Committee's Suspense File on April 18, 2007, because of increased costs to the State's General Fund.

County-opposed AB 644 (Dymally), which would amend the Labor Code to require that physicians performing utilization review of the medical treatment on a workers' compensation case have an "intimate knowledge" of the issues presented for review, and would require the reviewing physician to look at the treatment requested by the treating physician and not the specialty of practice, was amended on April 9, 2007. The amendments would place limits on a physician conducting an evaluation of the treatment of services requested for a client injured during work related activities by requiring the reviewing physician to hold an identical type of license to that of the prescribing physician.

Risk Management staff indicate that the April 9, 2007 amendments do not provide sufficient flexibility for employers to effectively and efficiently review employee treatment

requests. Therefore, **our Sacramento advocates will continue to oppose AB 644.** This measure is set for hearing in the Assembly Insurance Committee on April 25, 2007.

County-opposed AB 1207 (Smyth), which would require the California Integrated Waste Management Board to develop statewide regulations for the land application of biosolids by July 1, 2009, and would prohibit a local governmental entity from enacting any ordinance or regulation that is contrary or inconsistent with the CIWMB's regulations on the land application of biosolids, is now a two-year bill.

County-supported SB 119 (Cedillo), which would increase the scope of benefits and reimbursement rates contained in Drug Medi-Cal for youths from 12 to 20 years of age who suffer from substance abuse disorders, was placed on the Senate Appropriations Committee's Suspense File on April 16, 2007, because of increased costs to the State's General Fund.

County-sponsored SB 134 (Cedillo), which would allow safety members in Los Angeles County hired before April 1, 1997, to continue employment beyond age 60, passed the Senate Public Employment and Retirement Committee on April 16, 2007 by a 5 to 0 vote, and now proceeds to the Senate Floor.

County-sponsored SB 959 (Romero), which authorizes boards of supervisors to permit sheriffs to implement an involuntary home detention program for jail inmates when the county jail is overcrowded, passed the Senate Public Safety Committee on April 17, 2007 by a vote of 5 to 0, and now proceeds to the Senate Appropriations Committee. The author pledged to work with the California District Attorneys' Association to resolve some concerns. The District Attorneys' Association wanted amendments to the bill that would require all participants to be subject to electronic monitoring and to deny conduct credit to participants. The author's office has committed to convene a meeting to discuss these issues but no date has been set.

Status of County-Interest Legislation

SB 1014 (Kuehl), as introduced on February 23, 2007, would establish a financing mechanism to pay for the provisions of the California Universal Healthcare System as described in SB 840 (Kuehl). Under the provisions of this bill, additional taxes of an unspecified amount would be imposed on: 1) persons with a taxable income over \$200,000; 2) self-employed individuals; 3) non-wage income below the \$200,000 level; and 4) employee wages over \$7,000 but less than \$200,000. Funds would be collected by the Employment Development Department for deposit in the Health Insurance Fund for use by the California Health Insurance Agency to administer health care benefits under the single payer program.

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This measure was approved by the Senate Health Committee on April 18, 2007 by a vote of 6 to 4, and has been referred for hearing before the Senate Appropriations Committee.

We will continue to keep you advised.

DEJ:GK
MAL:EW:RM:SK:acn

c: All Department Heads
Legislative Strategist
Local 660
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participants